

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02886A

Kohl's Ranch Water Company
PO Box 80979
Phoenix, AZ 85060

RECEIVED
MAY 06 2011
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2010 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|---------------|-----------|
| ANN 04 | 10 |
|---------------|-----------|

5-9-11

COMPANY INFORMATION

| | | |
|---|---|--|
| Company Name (Business Name) <u>Kohl's Ranch Water Company</u> <i>of ILX Resorts Incorporated (see below) - preparer of this filing *</i> | | |
| Mailing Address <u>P.O. Box 80979</u> | | |
| <u>Phoenix</u> (City) | <u>Arizona</u> (State) | <u>85060</u> (Zip) |
| <u>480-717-2819</u> Telephone No. (Include Area Code) | <u>—</u> Fax No. (Include Area Code) | <u>—</u> Cell No. (Include Area Code) |
| Email Address <u>mpechan@ilxresorts.com</u> | | |
| Local Office Mailing Address _____ | | |
| _____ (City) | _____ (State) | _____ (Zip) |
| _____ Local Office Telephone No. (Include Area Code) | _____ Fax No. (Include Area Code) | _____ Cell No. (Include Area Code) |
| Email Address _____ | | |

MANAGEMENT INFORMATION

| | | | |
|--|---|--|-----------------------|
| <input type="checkbox"/> Regulatory Contact: <i>of ILX Resorts Incorporated (see below) - preparer of this filing *</i> | | | |
| <input checked="" type="checkbox"/> Management Contact: <u>Nancy J. Stone</u> <u>N/A</u> | | | |
| <u>P.O. Box 80979</u> (Street) | <u>Phoenix</u> (City) | <u>Arizona</u> (State) | <u>85060</u> (Zip) |
| <u>480-717-2819</u> Telephone No. (Include Area Code) | <u>—</u> Fax No. (Include Area Code) | <u>—</u> Cell No. (Include Area Code) | |
| Email Address <u>mpechan@ilxresorts.com</u> | | | |
| On Site Manager: _____ | | | |
| _____ (Name) | | | |
| _____ (Street) | _____ (City) | _____ (State) | _____ (Zip) |
| _____ Telephone No. (Include Area Code) | _____ Fax No. (Include Area Code) | _____ Cell No. (Include Area Code) | |
| Email Address _____ | | | |

* Note: ILX Resorts Incorporated sold all of its interest in Kohl's Ranch Water Company in January 2011. This report is being filed by the former not current owner of Kohl's Ranch Water Company.

for ILX Resorts Incorporated (former owner of Kohl's Ranch Water Company) *

Statutory Agent: Nancy J. Stone
(Name)

P.O. Box 80979 Phoenix Arizona 85060
(Street) (City) (State) (Zip)

480-717-2819 — —
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: N/A
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

* See note on page 2, Nancy J. Stone is not the current Statutory Agent for Kohl's Ranch Water Company.

COMPANY NAME

Ron's Ranch Water Company

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | — | — | — |
| 302 | Franchises | — | — | — |
| 303 | Land and Land Rights | — | — | — |
| 304 | Structures and Improvements | — | — | — |
| 307 | Wells and Springs | 2000.70 | 2000.70 | — |
| 311 | Pumping Equipment | 33,476.00 | 32,071.70 | 1,404.30 |
| 320 | Water Treatment Equipment | 6,199.25 | 6,199.25 | — |
| 330 | Distribution Reservoirs and Standpipes | — | — | — |
| 331 | Transmission and Distribution Mains | 12,658.00 | 12,658.00 | — |
| 333 | Services | — | — | — |
| 334 | Meters and Meter Installations | 13,383.59 | 5,950.91 | 7,432.68 |
| 335 | Hydrants | — | — | — |
| 336 | Backflow Prevention Devices | — | — | — |
| 339 | Other Plant and Misc. Equipment | — | — | — |
| 340 | Office Furniture and Equipment | 150.00 | 150.00 | — |
| 341 | Transportation Equipment | 1,000.00 | 1,000.00 | — |
| 343 | Tools, Shop and Garage Equipment | 3,133.19 | 3,133.19 | — |
| 344 | Laboratory Equipment | — | — | — |
| 345 | Power Operated Equipment | — | — | — |
| 346 | Communication Equipment | — | — | — |
| 347 | Miscellaneous Equipment | 6,875.17 | 6,875.17 | — |
| 348 | Other Tangible Plant | 300.00 | 300.00 | — |
| | TOTALS | 79,175.90 | 70,338.92 | 8,836.98 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Kohl's Ranch Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | — | — | — |
| 302 | Franchises | — | — | — |
| 303 | Land and Land Rights | — | — | — |
| 304 | Structures and Improvements | — | — | — |
| 307 | Wells and Springs | 2,000.70 | — | — |
| 311 | Pumping Equipment | 33,476.00 | .0298 | 998.70 |
| 320 | Water Treatment Equipment | 6,199.25 | — | — |
| 330 | Distribution Reservoirs and Standpipes | — | — | — |
| 331 | Transmission and Distribution Mains | 12,658.00 | — | — |
| 333 | Services | — | — | — |
| 334 | Meters and Meter Installations | 13,383.59 | .0397 | 530.91 |
| 335 | Hydrants | — | — | — |
| 336 | Backflow Prevention Devices | — | — | — |
| 339 | Other Plant and Misc. Equipment | — | — | — |
| 340 | Office Furniture and Equipment | 150.00 | — | — |
| 341 | Transportation Equipment | 1,000.00 | — | — |
| 343 | Tools, Shop and Garage Equipment | 3,133.19 | — | — |
| 344 | Laboratory Equipment | — | — | — |
| 345 | Power Operated Equipment | — | — | — |
| 346 | Communication Equipment | — | — | — |
| 347 | Miscellaneous Equipment | 6,875.17 | — | — |
| 348 | Other Tangible Plant | 300.00 | — | — |
| | TOTALS | 79,175.90 | .0193 | 1,529.61 |

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME Hohl's Ranch Water Company

BALANCE SHEET

| Acct No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 3,102.72 | \$ 7,109.36 |
| 134 | Working Funds | — | — |
| 135 | Temporary Cash Investments | — | — |
| 141 | Customer Accounts Receivable | <826.84> | <95.71> |
| 146 | Notes/Receivables from Associated Companies | — | — |
| 151 | Plant Material and Supplies | — | — |
| 162 | Prepayments | 1,024.52 | 1,680.61 |
| 174 | Miscellaneous Current and Accrued Assets | — | 1,050.00 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 3,300.40 | \$ 9,744.26 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 71,212.31 | \$ 79,175.90 |
| 103 | Property Held for Future Use | — | — |
| 105 | Construction Work in Progress | — | — |
| 108 | Accumulated Depreciation – Utility Plant | <68,809.31> | <70,338.92> |
| 121 | Non-Utility Property | — | — |
| 122 | Accumulated Depreciation – Non Utility | — | — |
| | TOTAL FIXED ASSETS | \$ 2,403.00 | \$ 8,836.98 |
| | TOTAL ASSETS | \$ 5,703.40 | \$ 18,581.24 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Kohl's Ranch Water Company

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 855.74 | \$ 3,452.54 |
| 232 | Notes Payable (Current Portion) | — | |
| 234 | Notes/Accounts Payable to Associated Companies | 374,905.58 | 434,886.63 |
| 235 | Customer Deposits | — | |
| 236 | Accrued Taxes | 161.87 | 198.45 |
| 237 | Accrued Interest | — | |
| 241 | Miscellaneous Current and Accrued Liabilities | 57.58 | 726.35 |
| | TOTAL CURRENT LIABILITIES | \$ 375,980.77 | \$ 439,263.97 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ — | \$ — |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ — | \$ — |
| 252 | Advances in Aid of Construction | — | — |
| 255 | Accumulated Deferred Investment Tax Credits | — | — |
| 271 | Contributions in Aid of Construction | — | — |
| 272 | Less: Amortization of Contributions | — | — |
| 281 | Accumulated Deferred Income Tax | — | — |
| | TOTAL DEFERRED CREDITS | \$ — | \$ — |
| | TOTAL LIABILITIES | \$ 375,980.77 | \$ 439,263.97 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ — | \$ — |
| 211 | Paid in Capital in Excess of Par Value | — | — |
| 215 | Retained Earnings | (370,277.37) | (420,682.73) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ (370,277.37) | \$ (420,682.73) |
| | TOTAL LIABILITIES AND CAPITAL | \$ 5,703.40 | \$ 18,581.24 |

COMPANY NAME Konl's Ranch Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|----------------------------|-----------------------------|
| 461 | Metered Water Revenue | \$ 10,010.98 | \$ 10,479.61 |
| 460 | Unmetered Water Revenue | — | — |
| 474 | Other Water Revenues | — | — |
| | TOTAL REVENUES | \$ 10,010.98 | \$ 10,479.61 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 4,263.82 | \$ 26,241.50 |
| 610 | Purchased Water | — | — |
| 615 | Purchased Power | 224.94 | 459.84 |
| 618 | Chemicals | — | — |
| 620 | Repairs and Maintenance | 4,314.94 | 6,832.37 |
| 621 | Office Supplies and Expense | — | — |
| 630 | Outside Services | — | 15,585.00 |
| 635 | Water Testing | 2,805.00 | 4565 |
| 641 | Rents | — | — |
| 650 | Transportation Expenses | — | — |
| 657 | Insurance – General Liability | 2,809.53 | 2,765.03 |
| 659 | Insurance - Health and Life | — | — |
| 666 | Regulatory Commission Expense – Rate Case | — | — |
| 675 | Miscellaneous Expense | 337.29 | 1,744.81 |
| 403 | Depreciation Expense | 833.27 | 1,529.61 |
| 408 | Taxes Other Than Income | 694.37 | — |
| 408.11 | Property Taxes | 402.17 | 1,161.81 |
| 409 | Income Tax | — | — |
| | TOTAL OPERATING EXPENSES | \$ 16,685.33 | \$ 60,884.97 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$ <6,641.64> | \$ <50,405.36> |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ — | \$ — |
| 421 | Non-Utility Income | — | — |
| 426 | Miscellaneous Non-Utility Expenses | — | — |
| 427 | Interest Expense | — | — |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ — | \$ — |
| | | | |
| | NET INCOME/(LOSS) | \$ <6,641.64> | \$ <50,405.36> |

COMPANY NAME Honl's Ranch Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End

\$ N/A

Meter Deposits Refunded During the Test Year

\$ N/A

Company Name: Kohl's Ranch Water Company

Year Ended: 2010

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-508295 | 3 | 37 | 185 | 8" to 21" | 1½" | 1984 |
| | | | | 5" to 185' | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| None | | |
| | | |

BOOSTER PUMPS

| Horsepower | Quantity |
|------------|----------|
| 15 HP | 1 |
| 40 HP | 1 |
| | |
| | |

FIRE HYDRANTS

| Quantity Standard | Quantity Other |
|-------------------|----------------|
| 2 | |
| | |
| | |
| | |

STORAGE TANKS

| Capacity | Quantity |
|-------------|----------|
| 200,000 GAL | 1 |
| | |
| | |
| | |

PRESSURE TANKS

| Capacity | Quantity |
|-----------|----------|
| 5,000 GAL | 1 |
| | |
| | |
| | |

Company Name: Kohl's Ranch Water Company

Year Ended: 2010

WATER COMPANY PLANT DESCRIPTION CONTINUED

MAINS

| Size (in inches) | Material | Length (in feet) |
|---------------------|-----------------|---------------------|
| 2 | PVC | 1,385 |
| 3 | PVC | 400 |
| 4 | | |
| 5 | | |
| 6 | | |
| 8 | PVC | 1,050 |
| 10 | | |
| 12 | | |
| 3 | Galvanized Iron | 275 |
| 1 | Galvanized Iron | 550 |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|---------------------|----------|
| 5/8 x 3/4 | |
| 3/4 | |
| 1 | |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| 8 inch* | 1 |

* at 12/31/2009

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

(1 ea) Chlorinating Pump

(1 ea) Chlorine Tank

STRUCTURES:

Pump Building - Block 1,280 SF (64' X 20')

Water Storage Tank - 38' Diameter X 24' High

OTHER:

| | |
|-----------------|---|
| COMPANY NAME: | MOHL'S RANCH WATER COMPANY |
| Name of System: | ADEQ Public Water System Number: 04-039 |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | 1 | 101,100 | SAME | NONE |
| FEBRUARY | 1 | 76,800 | | |
| MARCH | 1 | 126,100 | | |
| APRIL | 1 | 101,200 | | |
| MAY | 1 | 117,500 | | |
| JUNE | 1 | 133,500 | | |
| JULY | 1 | 175,800 | | |
| AUGUST | 1 | 148,500 | | |
| SEPTEMBER | 1 | 213,000 | | |
| OCTOBER | 1 | 130,700 | | |
| NOVEMBER | 1 | 260,920 | | |
| DECEMBER | 1 | 235,960 | | |
| TOTALS → | | 1,821,080 | 1,821,080 | -0- |

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

| | |
|--|------------------|
| Company Name: Kohl's Ranch Water Company | Year Ended: 2010 |
|--|------------------|

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| N/A | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------------|----------------|--|
| Flowing Spring | N/A | N/A |
| System 04-089 if required | N/A | -0- |

BOOSTER PUMPS

| Horsepower | Quantity |
|------------|----------|
| N/A | |
| | |
| | |
| | |

FIRE HYDRANTS

| Quantity Standard | Quantity Other |
|-------------------|----------------|
| N/A | |
| | |
| | |
| | |

STORAGE TANKS

| Capacity | Quantity |
|----------|----------|
| None | |
| | |
| | |
| | |

PRESSURE TANKS

| Capacity | Quantity |
|----------|----------|
| None | |
| | |
| | |
| | |

Company Name: Kohl's Ranch Water Company

Year Ended: 2010

WATER COMPANY PLANT DESCRIPTION CONTINUED

MAINS

| Size (in inches) | Material | Length (in feet) |
|---------------------|------------|---------------------|
| 2 | Galvanized | 3,280 FT |
| 3 | Cement | 5,320 FT |
| 4 | Cement | 2,240 FT |
| 5 | | |
| 6 | Cast Iron | 100 FT |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|---------------------|----------|
| 5/8 x 3/4 | |
| 3/4 | |
| 1 | 133 |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| | |
| | |

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

(1 ea) chlorinating pump

(1 ea) chlorine tank

(4 ea) filter tanks and backwash valves

STRUCTURES:

Chlorination Building: frame

Filter Building - frame

OTHER:

| | |
|-----------------|---|
| COMPANY NAME: | KOHL'S RANCH WATER COMPANY |
| Name of System: | ADEQ Public Water System Number: 04-013 |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | 124 | 100,700 | N/A | NONE |
| FEBRUARY | 124 | 63,970 | | |
| MARCH | 124 | 104,780 | | |
| APRIL | 124 | 116,400 | | |
| MAY | 124 | 427,240 | | |
| JUNE | 124 | 680,190 | | |
| JULY | 124 | 548,310 | | |
| AUGUST | 124 | 378,633 | | |
| SEPTEMBER | 125 | 577,127 | | |
| OCTOBER | 125 | 228,065 | | |
| NOVEMBER | 125 | 173,895 | | |
| DECEMBER | 125 | 60,240 | | |
| TOTALS → | | 3,459,550 | FLOWING SPRING | -0- |

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(x) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (x) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

| | |
|------------------------|---|
| COMPANY NAME: | Kohl's Ranch Water Company |
| Name of System: | ADEQ Public Water System Number: |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|-----------------|---|--|-------|
| JANUARY | None | | |
| FEBRUARY | | | |
| MARCH | | | |
| APRIL | | | |
| MAY | | | |
| JUNE | | | |
| JULY | | | |
| AUGUST | | | |
| SEPTEMBER | | | |
| OCTOBER | | | |
| NOVEMBER | | | |
| DECEMBER | | | |
| TOTALS → | | | |

OTHER (description):

COMPANY NAME Kohl's Ranch Water Company YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 1,346.54

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year. FLX Resorts Incorporated made the payments on behalf of Kohl's Ranch Water Company for a portion of the property taxes on water company related parcels in 2010. Cancelled checks are not available due to the

If no property taxes paid, explain why. bankruptcy of ILX Resorts Incorporated and relocation of its permanent records. ILX sold all of its interest in Kohl's Ranch Water Company in January 2011. Gila County records showing the payment of certain 2010 taxes are attached.

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

| |
|--|
| COUNTY OF (COUNTY NAME) |
| <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE |
| <u>Nancy J. Stone</u> |
| COMPANY NAME |
| <u>President of ILX Resorts Incorporated, former owner of Kohl's Ranch Water Company *</u> |

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS,
PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY
EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND
CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE
PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY
MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,
INFORMATION AND BELIEF.

SWORN STATEMENT

~~I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL. *~~

~~I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND
PAID IN FULL. *~~

Nancy J. Stone on behalf of
SIGNATURE OF OWNER OR OFFICIAL ILX Resorts Incorporated

480-947-9451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

2ND

DAY OF

COUNTY NAME MARICOPA

MONTH MAY

2011



MARCIA J BARKER
Notary Public - Arizona
Maricopa County

My Comm. Expires Feb 19, 2015

MY COMMISSION EXPIRES

Marcia J. Barker

SIGNATURE OF NOTARY PUBLIC

* This verification is being executed by ILX Resorts Incorporated,
the former owner of Kohl's Ranch Water Company. ILX Resorts
Incorporated sold its interests in Kohl's Ranch Water Company in January
2011 and has no information regarding sales or property tax payments post sale

COMPANY NAME Kohl's Ranch Water Company YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported Loss
Estimated or Actual Federal Tax Liability None

State Taxable Income Reported Loss
Estimated or Actual State Tax Liability None

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|--|
| COUNTY OF (COUNTY NAME) | <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>Nancy J. Stone, president of ILX Results Incorporated *</u> |
| COMPANY NAME | <u>former owner of Kohl's Ranch Water Company</u> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2010</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 10,842.61

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 763.00
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Nancy J. Stone on behalf of ILX Results Incorporated *

480-747-9451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

2ND

DAY OF

| | | |
|-------------|-----------------|--------------|
| COUNTY NAME | <u>MARICOPA</u> | |
| MONTH | <u>MAY</u> | <u>.2011</u> |

(SEAL)

MARCIA J BARKER
Notary Public - Arizona
Maricopa County

MY COMMISSION

My Comm. Expires Feb 19, 2015

Marcia J Barker

SIGNATURE OF NOTARY PUBLIC

* This statement is being executed by ILX Results Incorporated, the former owner of Kohl's Ranch Water Company. ILX Results Incorporated sold its interests in Kohl's Ranch Water Company in January 2011. Nancy Stone is a former owner of Kohl's Ranch Water Company. 20

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|---|
| COUNTY OF (COUNTY NAME) <u>Maricopa</u> | |
| NAME (OWNER OR OFFICIAL) <u>Nancy J. Stone,</u> | TITLE <u>president of ILX Resorts, Incorporated,</u> |
| COMPANY NAME <u>former owner of Kohl's Ranch Water Company</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2010</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 10,842.61

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 763.00
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Nancy J. Stone on behalf of
SIGNATURE OF OWNER OR OFFICIAL
480-747-9451 ILX Resorts, Incorporated
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

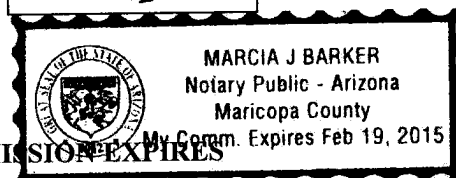
THIS

2ND

DAY OF

(SEAL)

MY COMMISSION EXPIRES



| | |
|---|--------------|
| NOTARY PUBLIC NAME <u>MARCIA J. BARKER</u> | |
| COUNTY NAME <u>MARICOPA</u> | |
| MONTH <u>MAY</u> | <u>20 11</u> |

Marcia J. Barker

SIGNATURE OF NOTARY PUBLIC

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